

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
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For Immediate Release

NEWS RELEASE SUMMARY - December 11, 2006

United States Attorney Carol C. Lam announced that Sandra Miller Christie, the former Vice President of Advertising at Advanced Marketing Services, Inc. ("AMS"), was sentenced today in federal court in San Diego by United States District Court Judge Larry A. Burns to serve 36 months in custody based on her conviction for participation in a conspiracy and scheme to defraud AMS's clients of millions of dollars of advertising funds, and to fraudulently inflate AMS's publicly reported net income during the years 1999 through 2003. Judge Burns also ordered that Christie serve a three-year term of supervised release following her release from prison, and a \$10,000 fine. Christie pled guilty in August 2005 to Conspiracy and Falsifying the Books, Records and Accounts of AMS, formerly a publicly-traded corporation with shares of stock traded on the New York Stock Exchange.

According to Assistant U.S. Attorney Eric J. Beste, who prosecuted the case, in her guilty plea Christie admitted that she conspired with several former employees of AMS to engage in a scheme to deceptively increase the profitability of the advertising department through false and fraudulent means. In one variation of the scheme, Christie and her co-conspirators fraudulently cut the quantity of direct-mail

postcards that AMS promised its clients would be printed and mailed, thereby reducing AMS's printing and mailing expenses. In another variation, Christie and her co-conspirators printed and distributed substantially fewer magazines than had been promised to publishers when selling advertising space in these publications. By fraudulently cutting the quantity and circulation of these advertising vehicles, yet still charging publishers full price, defendant Christie and her co-conspirators were able to deceptively increase the profitability of the AMS advertising department.

Christie also pled guilty to falsifying the books and records of AMS in order to artificially inflate the net income of AMS and its advertising department. Specifically, Christie admitted that she regularly directed another AMS employee to make false journal entries in order to "reverse" millions of dollars in unclaimed credits owed to AMS's warehouse club customers, resulting in the false appearance that these credits belonged to AMS.

The case is the result of an investigation by the Federal Bureau of Investigation, San Diego Division, working cooperatively with a separate, parallel civil investigation being conducted by the United States Securities and Exchange Commission, Division of Enforcement.

DEFENDANT **Case Number: 05cr364-LAB**

Sandra Miller Christie

SUMMARY OF CHARGES

Count 1: Conspiracy (18 U.S.C. §§ 371 and 1349)

Count 21: Falsification of Books and Records (15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5), and 78 ff;
17 C.F.R. § 240.13b2-1)

AGENCIES

Federal Bureau of Investigation, San Diego Division
United States Securities and Exchange Commission, Division of Enforcement